

**Suggested Talking Points**  
**Magandang Gabi Bayan**  
**TV Interview**  
**Alternative Fuels Amid the Rapid Increases**  
**in International Oil Prices**  
**USDOE/SEDP Office Room 1004, Gabriel III**  
**Condominium, San Miguel Avenue, Ortigas**  
**Center, Pasig City**  
**Interviewer: Hazel Pajanostan**  
**August 17, 2005, 4:00PM – 5:00PM**

1. Role of USAID in the energy sector particularly at this crucial time when international oil prices have risen to unprecedented heights:

- USAID programs are funded by grant as opposed to loan
- USAID fund several programs: the Clean Cities Program of the USDOE
- Clean Cities Program (CCP) supports the government's thrust towards

alternative fuels in line with the ultimate goal of cleaner air and energy independence

- CCP is implemented in pilot areas such as Baguio City, Davao, Marikina and Makati
- A site in the Visayas region may be identified soonest
- CCP supports the use of compressed natural gas, coconut methyl ester, fuel ethanol, hydrogen fuels and other alternative sources identified by the Philippine Department of Energy
- These alternative fuels use indigenous and renewable forms of energy

- These can translate to millions of dollars saved in terms of foreign exchange
- The development of the alternative fuels industry would also mean job creation and business opportunities particularly in regions where the raw products are abundant
- Alternative fuels are also cleaner fuels; as such addressing environmental challenges brought about by urbanization
- USAID supports technical trainings and workshops conducted by US experts on CNG, economic study of fuel ethanol and technical information, education and communication campaigns

2. Reluctance of big oil players to embrace coconut methyl ester (CME):

- Upon the request of Philippine Department of Energy, USAID funded the testing of CME at the National Renewable Energy Laboratory in Colorado, U.S.A.
- Issues and concerns raised by the big oil companies include the properties of CME, storage and fuel thermal stability, and micro-organism degradation, among others

3. Economics of CME: relatively more expensive than diesel?

- While CME may be a little more expensive than diesel, the use of CME, however, appears increases mileage by at least 10%
- As such the increase in cost is offset by increase in mileage
- In fact, there are economic savings gained because of more mileage travelled per peso spent!

4. USAID Partnership with national and local governments:

- CCP works closely with the Philippine Department of Energy and the local government units in the pilot areas

- Other USAID cooperators work closely with the Department of Environment and Natural Resources, the Department of Transportation and Communication, the Department of Science and Technology as well as with the academe
- Development of clean, alternative, indigenous fuels will help the country address high oil prices and spur economic development

